

A summary of events from the **Sustainable Spirits Summit**
October 27, 2011

On behalf of the staff at Kentucky's Department for Environmental Protection's Division of Compliance Assistance, we want to thank everyone who participated in the Sustainable Spirits Summit on October 27, 2011. Through active discussion about industry issues, ranging from regulatory topics to rainwater harvesting and everything in between, the DCA staff have a better understanding of where the industry is now and where the stakeholders would like to see it in the future, in terms of the environment. To summarize the day's events, the DCA staff have compiled this report to categorize topics that surfaced during the discussion sessions. We value your opinion and participation, so please read the report and give us some feedback at <http://spirits.speedsurvey.com> so that we can help organize future events and keep you informed. Thank you for your time and input.

In the first session of the summit, participants were asked to break into three groups and discuss questions posed by the facilitators. The first question asked was

"Thinking about your facility, what are you doing well in terms of the environment?"

Internal communication revealed itself to be one of the most successful areas among the distilleries, with most companies offering quarterly reviews, monthly metrics, employee incentives, training and days off for community service. Additionally, several distilleries had even formed "green teams" to distribute the responsibility of maintaining achievable sustainability goals. The group also recognized excellence in regulatory issues, such as the existence and use of environmental management plans, stormwater care and solid waste management.

In the "above and beyond" category, the group recognized activity in a variety of programs and initiatives, including participation in DCA's KY EXCEL program, energy-efficiency assessments and involvement in the Beverage Industry Environmental Roundtable (BIER). Additionally, many distilleries identified recycling programs, beneficial reuse and research as categories of sustainable behavior.

Throughout the discussion, participants discovered that there was limited activity in the education and outreach and marketing areas, leading the group to draw the conclusion that most facilities struggle with communicating their environmental successes to the public.



Breakout session & discussion

With annual reports and sharing best practices within the industry, some distilleries reached out in passive ways. However, there seems to be very little attention paid to sustainability marketing and special packaging for most of the companies.

This lack of marketing was counteracted in part by successes in community involvement, which showed that the distilleries are participating in their local communities through various projects, including green infrastructure partnerships, participation on community boards and having leave from work specifically designated for community work days.

Overall, it seems that the industry is very proactive in sustainable causes and activities, progressing in terms of the environment despite challenges such as dealing with new regulations and lack of corporate support for projects. Some other obstacles and challenges are discussed and examined in the next section of the report.



A special thanks to Wild Turkey Distillery for hosting the first Sustainable Spirits Summit and offering a tour and tasting!

Before breaking for a wonderful lunch catered by the Kentucky Distillers' Association and seeing Wild Turkey's new facilities on a tour, the group discussed challenges. The second question posed was

"Thinking about your facility, what environmental areas do you struggle with?"



A trend emerged among the distilleries that lack of corporate support and the misconstrued perception that environmental gains always translate to large costs were areas that environmental managers struggle with in the industry. Additionally, insufficient funding and management cuts to the environmental departments were also issues seen in the internal communication category. Similarly, representatives from the distilleries thought that there was a significant lack of marketing successes related to the environment translated in terms of packaging, advertising, websites and in the tours and visitor centers on-site. Black mold was also a hot topic discussed in relation to education and outreach, community involvement and marketing.

Regulatory issues were also discussed in-depth and found to be an area where most distilleries struggle. Primarily, lack of manpower, staying current on regulations and the status of renewals of KPDES permits were significant issues that kept resurfacing. Overall, the industry identified several sections that needed improvement, which leads into the next section that discussed opportunities for the entire industry when it comes to sustainability.

Sustainability:

"a condition where humans and nature exist in productive harmony, that meet the social, economic and other requirements of present and future generations."

How is this definition applicable to distilleries and breweries in Kentucky?



The industry has initiated several sustainability projects, but there are more opportunities available to enhance sustainability. Waste-to-energy and water recycling were mentioned several times as opportunities. Industry benchmarking of environmental performance was a hot topic for discussion to determine the current status of the industry as a whole. There have been some projects undertaken in these areas, but it was obvious that more projects exist. Kentucky Pollution Prevention Center, performance contracting and the UK Center for Applied Energy Research were mentioned as options to help the spirits industry improve.



Another obstacle on the road to sustainability is staying connected. One way to contend with this is to develop a blog or other forum that can list the latest industry information and connect the group. Additionally, during these tight economic times, money for environmentally beneficial projects has become an issue for everyone. Performance contracting and the UK Center for Applied Energy Research were mentioned as possible solutions to tight budgets, as well as the need for a state dedicated source of funding for sustainability projects.



Facilities in the spirits industry that have done environmentally beneficial projects say they have been unable to take advantage of the positive publicity generated by these projects. For instance, the visitor's centers fail to mention the positive environmental steps taken at these facilities. Despite these obstacles, it is obvious that there is a desire by the industry to be sustainable, and this group is working to do just that.

Where do we go from here?

To wrap up the meeting, facilitators asked participants for candid responses on where to go from here. Many participants voiced their opinion that the meeting was a success and very beneficial, in both learning new ways to be sustainable and in forming contacts and sources for future information. Participants mostly agreed that biannual meetings would be convenient and efficient for these topics. Additionally, it was unanimously decided that DCA and KDA should manage an online forum or discussion board for the industry as a host for contact information, updated permits and a question-and-answer section.

The group also discussed the possibility of providing webinars and trainings outside of the in-person biannual events. These may be already scheduled DCA training events that are pertinent to the industry, as well as new events completely geared toward distilleries and breweries. The group also decided that with the biannual in-person meetings, the format should include multiple topics in a roundtable discussion and rotate meetings at the various distilleries.

If you have suggestions or information that DCA staff may have overlooked in this report, please complete the [survey](#). Once again, DCA, KDA, and Smith Management Group thank you for your participation in the Sustainable Spirits Summit and congratulate you on all your environmental stewardship efforts.



“Thinking about your facility, what are you doing well in terms of the environment?”

Education & Outreach	Internal Communication	Marketing	Above & Beyond	Regulatory	Community Involvement
Website Sustainability reports Annual reports Environmental education in schools Sharing best practices with the industry	Community work days Quarterly review Monthly metrics Green team Employee incentives Community environmental goals Training Employee e-scrap Dishware & cutlery Compliance tied to management pay	Sustainability marketing Packaging	Recycling programs EMP KY EXCEL Beneficial reuse Energy efficiency assessment Zero to landfill Research BIER LEED Waste heat recovery Brownfield use Aquaponics Solar Anaerobic digester	EMP Solid waste management Wastewater treatment Air permitting Stormwater	Adopt-A-Highway Community work days Green infrastructure partnership Manager serving on community board Foundation Corporate commitment (earthquake relief) Special bottling Eco-art

“Thinking about your facility, what environmental areas do you struggle with?”

Education & Outreach	Internal Communication	Marketing	Above & Beyond	Regulatory	Community Involvement
Black mold	Environmental disconnect Accountability Production versus environment Perception that environment = cost No corporate support (esp. for environmental marketing) Management cuts to environmental department	Lack of marketing successes (not in visitor centers) No section on website Industry benchmark Black mold Watershed planning	Life cycle assessment Carbon and water	Recordkeeping and backup One-man shop Manpower Follow-up after audit Staying current on regulations Louisville Metro versus DEP KPDES permit Louisville stormwater 9 minimum measures Local stormwater	Black mold

***Bolding indicates that the topic was discussed multiple times.**

Sustainability and the Industry

Reduction in energy consumption (waste-to-energy)
Water recycling
Green infrastructure
Rainwater harvesting
Grey water reuse
Electronic repository/resources (waste exchange)
KPPC sustainability assessment (energy)
Performance contracting
LEED certification on buildings
Group meetings twice a year
BMPs
Online forum
New technology for industry (staying updated)
Social responsibility (DD programs, education, responsible drinking)
No funding source for new projects for the industry
Tourism and visitor center (educational opportunity)
Fuel strategy for industry
Watershed protection
UK CAER projects